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June 27, 2003

VIA HAND DELIVERY

T.G. PAPPAS

TEL: (615) 742-6242

FAX: (615) 742-2742

tpappas@bassberry.com

Ms. Sara Kyle, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful In Furnishing Water Service to Its Customers, Docket No. 03-00118.

Dear Chairman Kyle:

In compliance with Rule 1220-4-1-.05 of the Rules of the Tennessee Regulatory and Tennessee Code Annotated 65-5-201 pertaining to publication and posting of notice as to hearings in matters involving rate increases, and proof of publication and posting to the Authority, I, T.G. Pappas, attorney for Tennessee-American Water Company, hereby furnish you original and nine (9) copies of proof of publication in connection with the hearing to be held in the above-referenced docket beginning June 30, 2003. The publication was made in a newspaper of general circulation in the areas in which the petitioner offers service to its customers and as to which notice is required:

PUBLICATION OF NOTICE

1. The NOTICE OF HEARING attached as Exhibit A was published in the following newspaper of general circulation on the following dates:

Newspaper
Chattanooga Times Free Press

<u>Date</u> June 20, 2003

Exhibit A

POSTING OF LEGAL NOTICE

2. The attached legal notice marked Exhibit B was displayed on a tripod in the main lobby of the customer service area of Tennessee-American Water Company, 1101 Broad Street, Chattanooga, Tennessee, beginning June 20, 2003. As verification of such posting, attached, as Exhibit C is a

Chairman Sara Kyle June 27, 2003 Page 2

letter from the President of Tennessee-American Water Company, William F. L'Ecuyer, dated June 23, 2003.

This letter of publication and posting complies fully with Tennessee Regulatory Authority Rule 1220-4-1-.05.

With kindest regards, I remain

Very truly yours,

T.G. Pappas

TGP/sdt Enclosure

cc:

Certificate of Service List

Mr. William F. L'Ecuyer (via facsimile)

Mr. Michael Miller (via facsimile)

Mr. Roy Ferrell (via facsimile)

R. Dale Grimes, Esq. George Masterson, Esq.

2426708
Tennessee American
Water Company
Legal Notice of Hearing

STATE OF TENNESSEE HAMILTON COUNTY

Before me personally appeared Sharon Graham, who being duly sworn, that she is the Legal Sales Representative of the "CHATTANOOGA TIMES FREE PRESS:" and that the Legal Notice of which the following is a true copy:

LEGAL NOTICE OF HEARING

Notice is hereby given that Tennessee American Water Company (the "Company") filed a petition and tariffs with the Tennessee Regulatory Authority, on February 7., 2003, asking that it be permitted to change water rates currently being charged in the areas being served by the Company. The Company's proposal would increase its annual revenues by approximately \$3.866.813, an increase in annual revenues of 12.7%. The proposed tariffs filed by the Company Increase water rates across the board.

The proposed rates as filed are those proposed by the Company and the Tennessee Regulatory Authority may in some or all instances adopt, reject, increase, or decrease said proposed rates, in part or in whole. The petition was filed to establish water rates that will enable the Company to earn a fair return on its investment, prevent impairment of its credit, meet its obligation to its customers, employees and creditors and to preserve its property. A copy of the proposed tariff changes and the reasons for them are on file with the Tennessee Regulatory Authority and are epen to public inspection.

The matter will be heard before the Tennessee Regulatory Authority on Monday, June 30, 2003, at 9:00am (CST), at the Tennessee Regulatory Authority, Main Hearing Room, at 460 James Robertson Parkway, Nashville, Tennessee. This notice is being given pursuant to Rule 1220-4-1-05 and Tennessee Code Annotated 65-5-201.

William F. L'Ecuyer President Tennessee American Water Company Has been published in the above said Newspaper on the following dates, to-wit:

June 20, 2003

The full number of times required by law, and that there is due the "CHATTANOOGA TIMES FREE PRESS." for publication of such notice the sum of \$128.68 Dollars. (Includes \$10.00 Affidavit Charge.)

Sharow Graham

Sworn to and subscribed before me, this May of

, 2003

My Commission Expires December 28, 2004

Chattanooga Times Free Press

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1220-4-1-.05 and Tennessee Code Annotated 65-5-201.

William F. L'Ecuyer President

Tennessee American Water Company

2384826.1

EXHIBIT B



Tennessee-American Water Company

P.O. Box 6338 • 1101 Broad Street • Chattanooga, TN 37401

William F. L'Ecuyer President

June 23, 2003

(423) 755-9307 Fax (423) 755-7634 email: wlecuyer@amwater.com http://www.tawc.com

Mr. T. G. Pappas, Esq. Bass, Berry & Sims PLC AmSouth Center 315 Deaderick Street Suite 2700 Nashville, TN 37328-3001

Dear Mr. Pappas:

Pursuant to your letter of June 2, 2003, I am enclosing an original notarized proof of publication in the Chattanooga Times Free Press of the legal notice announcing a hearing before the Tennessee Regulatory Authority of a rate case petition by Tennessee American Water on June 30, 2003.

Also, a laminated legal notice of hearing was posted on a tripod in the lobby area of Tennessee American Water on June 20, 2003. The notice will remain posted until June 30, 2003.

Sincerely.

₩illiam F. L'Ecuyer

President

WFL/s Enclosure

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing letter to Chairman Sara Kyle regarding the posting of the Legal Notice, and its exhibits attached thereto, have been served, via the method(s) indicated, on this the 27th day of June, 2003:

[] Hand[x] Mail[x] Facsimile[] Overnight, UPS	Michael A. McMahan, Esq. Phillip A. Noblett, Esq. Lawrence W. Kelly, Esq. Nelson, McMahan & Noblett 801 Broad Street, Suite 400 Chattanooga, TN 37402
[x] Hand[] Mail[] Facsimile[] Overnight, UPS	Vance L. Broemel, Esq. Shilina B. Chatterjee, Esq. Assistant Attorney General Office of the Attorney General Consumer Advocate and Protection Division 425 5 th Avenue North, 2 nd Floor Nashville, TN 37243-0491
[x] Hand[] Mail[] Facsimile[] Overnight, UPS	Henry M. Walker, Esq. Boult, Cummings, Conners & Berry, PLC 414 Union Street, Suite 1600 Nashville, TN 37219
[] Hand[x] Mail[x] Facsimile[] Overnight, UPS	David C. Higney, Esq. Grant, Konvalinka & Harrison, P.C. 633 Chestnut Street, 9 th Floor Chattanooga, TN 37450
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T.G. Pappas